

Message Text

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PAGE 01 LISBON 04630 131959Z

62

ACTION XMB-04

INFO OCT-01 EUR-12 ISO-00 SAM-01 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 L-03 /061 W

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P 131636Z AUG 75

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 3769

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PASS EX-IM BANK

E.O. 11652: N/A

TAGS: EFIN, PO

SUBJ: CNP PETROCHEMICAL COMPLEX

REF: (A) CASEY-GRAHAM CONVERSATION AT LISBON'S PORTELA
AIRPORT ON AUGUST 8;
(B) STTE 181728

1. DURING REF CONVERSATION, EX-IM BANK PRESIDENT CASEY EXPRESSED HIS WILLINGNESS RECONSIDER EX-IM'S POSITION ON CNP PROJECT. HE ASKED WHEN CNP OFFICIALS WOULD CALL ON EX-IM. CNP ADMINISTRATORS STATED THEY, ACCOMPANIED BY LUMMUS REP, PROPOSE TO CALL ON EX-IM TUESDAY, AUGUST 19, OR WEDNESDAY, AUGUST 20. EMBASSY REQUESTS CONFIRMATION THAT EX-IM DISPOSED MEET WITH CNP OFFICERS. IF SO, WOULD APPRECIATE NAME OF EX-IM OFFICIAL WHO WILL MEET WITH THEM AND DATE/TIME FOR MEETING.

2. SHOULD EX-IM CONCLUDE THAT CNP PROJECT IS ECONOMICALLY VIABLE, EMBASSY URGES EX-IM GIVE SYMPATHETIC CONSIDERATION TO FINANCING PART OF THE IMPORT COSTS. GOP HAS REPEATEDLY REITERATED ITS THEME THAT WESTERN WORLD HAS ESTABLISHED ECONOMIC BOYCOTT OF PORTUGAL. OBJECTIVE OF THESE STATEMENTS IS TO ATTRIBUTE MUCH OF COUNTRY'S ECONOMIC DIFFICULTIES TO A FOREIGN SCAPE-
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GOAT. EMBASSY ANCIIOUS TO FOCUS RESPONSIBILITY FOR ECONOMIC

CRISIS SQUARELY ON GOP. EX-IM ANNOUNCEMENT OF ITS WILLINGNESS TO ASSIST PORTUGUESE DEVELOPMENT WOULD HELP US SIGNIFICANTLY. WHILE PUBLIC IMPACT OF SUCH AN ANNOUNCEMENT WOULD BE IMMEDIATE, LOAN WOULD GENERATE NO FINANCIAL FLOWS OVER THE SHORT TERM TO EASE PORTUGAL'S BALANCE OF PAYMENTS DIFFICULTIES.

3. IF EX-IM CONSIDERS CNP PROJECT SYMPATHETICALLY, EMBASSY RECOMMENDS THAT:

1. NO CONSIDERATION BE GIVEN TO FINANCING LOCAL COSTS;

2. APPLICATION FOR FINANCING SHOULD BE ACCOMPANIED BY LETTER FROM MINISTER OF INDUSTRY AND TECHNOLOGY EXPRESSING HIS APPROVAL OF PROJECT AS A HIGH PRIORITY ITEM IN GOP DEVELOPMENT PROGRAM; AND

3. EXPLICIT AND COMPREHENSIVE GUARANTEE BE SECURED FROM GOP.
OKUN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CHEMICAL INDUSTRY, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LISBON04630
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750280-0086
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750857/aaaabxul.tel
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Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
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Review Event:
Review Exemptions: n/a
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Margaret P. Grafeld
Declassified/Released
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EO Systematic Review
06 JUL 2006

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To: STATE
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